
TEACHING SOCIAL ENTREPRENEURSHIP IN CHRISTIAN HIGHER EDUCATION BUSINESS SCHOOLS

Timothy Lucas and Teresa Gillespie
Northwest University

ABSTRACT

Social entrepreneurship (SE) is a growing field of study in U.S. higher education and a lack of academic research dedicated to the field creates challenges for educators. Inclusion in Christian higher education business program curricula provides an opportunity for Christian colleges and universities to prepare students to become social entrepreneurs and equip students to become leaders in this important and evolving field. In this paper, the authors, who have been teaching SE at the masters level for two years, include reflections and recommendations for program development. A unified understanding of what defines an individual as a social entrepreneur or an organization as a social entrepreneurship (SE) has yet to be conclusively determined by practitioners or researchers. Further research related to the social entrepreneurial process itself is warranted (Barendsen & Gardner, 2004; 2006). This gap provides Christian educators an opportunity to develop a Christian framework under an overarching construct of Business as Ministry designed to reach budding social entrepreneurs and advance SE both academically and in the field. This article provides a recommended path for advancing social entrepreneurship as a dedicated field of study within Christian higher education. Topics include a review of the field within this context, reflections of our experience with this new type of student, a theology of SE discussion, curriculum suggestions, and recommendations. Pedagogical examples are incorporated throughout the article rather than in one section.

INTRODUCTION

Social entrepreneurship (SE) is a form of entrepreneurship differentiated from traditional business entrepreneurship by its overarching commitment to achieving a social benefit or purpose over profit (Austin, Stevenson, & Wei-Skillern, 2006). The literature regarding social entrepreneurship and the social entrepreneur indicates that a unified understanding of what defines an individual as a social entrepreneur or an organization as a social entrepreneurship (SE) has yet to be conclusively determined by practitioners or researchers (Dacin, Dacin, & Matear, 2010). This lack of an agreed-upon definition provides

a timely opportunity for the Christian academy to advance its position and influence within the SE domain and also presents challenges for curriculum development. SE is different from constructs such as social enterprise, where for-profit businesses designate a portion of their revenues or segment specific business units to social good, or intentionally Christian-focused organizations under the auspices of Business as Mission (BAM) or Great Commission companies (GCC) (for a more detailed discussion see Gillespie and Lucas, 2011).

In 2009, Northwest University, a private, faith-based institution in the Seattle area, began

to offer a Master of Arts in SE within the School of Business and Management (both authors are instructors in the program). This article describes some of our initial experiences and challenges in this developing field of study. We propose that there is a great opportunity for Christian educators in higher education to lead curriculum development and training for a new generation of Christian social entrepreneurs under the auspices of Business as Ministry.¹ The term Business as Ministry is an intentionally generic term meant to convey the idea that Christians can combine the business concept of profit generation and social benefit regardless of corporate structure or industry identification. We define Business as Ministry as an overarching Christian construct meant to convey the idea that one's profession or calling within the auspices of a business endeavor is a form of ministry.

WHAT IS SOCIAL ENTREPRENEURSHIP?

The research pertaining to social entrepreneurship is rooted in the commercial entrepreneurship literature and is predicated on the fact that business entrepreneurs exist to exploit an opportunity for the purpose of profit. It is important for educators to realize that within the student domain of social entrepreneurship there are two polarities, those who seek to do social good via a for-profit model and those committed to a non-profit model. Educators must ask: Who are social entrepreneurs and what do they want and what do they need as students?

The goal of this article is to review the basic premise of social entrepreneurship and its fit within Christian college and university business school curricula. Discussion topics include: 1) an overview of the concept and definition of social entrepreneurship based on existing literature, 2) inclusion of SE in business schools, 3) curriculum development, 4) identifying SEs and SE student profiles, 5) theology of SE, and 6) recommendations. Pedagogical applications are included as appropriate in each section.

OVERVIEW OF SOCIAL ENTREPRENEURSHIP

Roberts and Woods (2005) identify social entrepreneurship as a practitioner-led field of study still in its infancy and recognize a need for a practical definition that purposefully increases awareness and credibility of the field. This is addressed specifically by Martin and Osberg (2007) in their call for a more specific definition for social entrepreneurship that distinguishes it from its commercial roots. They provide a concise history of the commercial entrepreneurship definitions from early nineteenth-century French philosopher Jean Baptiste Say, early twentieth-century Austrian economist Joseph Schumpeter and more recently American management expert Peter Drucker. A more intentional definition will thereby promote social entrepreneurship and create a definitional benchmark for research applications. To achieve a working definition based on their research, they conducted a review of the literature related to both commercial and social enterprises and compared their findings with available literature and case studies of active social entrepreneurs to posit a definition that branched both the academic and practitioner perspectives. From this they derived the following definition: “*Social entrepreneurship is the construction, evaluation and pursuit of opportunities for transformative social change carried out by visionary, passionately dedicated individuals*” (p. 49). This definition addresses the individual aspects of the social entrepreneur; however it does not specifically address the social benefit versus profit dynamic that distinguishes the social entrepreneur from the commercial entrepreneur. Distribution of profit and corporate structure pertaining to the definition of SE is one area that has not yet been conclusively determined in the literature (Bielefeld, 2009).

Harding (2007) provides a working definition of social entrepreneurship from the Global Entrepreneurship Monitor (GEM) report that addresses both the business and social aspects of the field:

Social entrepreneurship is any attempt at new social enterprise activity or new enterprise creation, such as self-employment, a new enterprise, or the expansion of an existing social enterprise by an individual, team of individuals or established social enterprise, with social or community goals as its base and where the profit is invested in the activity or venture itself rather than returned to investors.

This definition provides a context from which to identify social entrepreneurship as distinct from commercial entrepreneurship and includes a specific reference to profit. From this context, a framework delineating the process of social entrepreneurship creation can be modeled. We have found that some students struggle with the concept of profit, for example in the context of benefitting from a social problem via revenue generated to solve the social problem.

A hybrid of Harding's definition and the Roberts and Woods definition has been developed by one of the authors as follows: *social entrepreneurship is a revenue-generating, innovative, and unique approach to solving a social problem where profits are reinvested in the mission regardless of the distinction between nonprofit or commercial enterprise (Lucas, 2010).*

The distinction of what constitutes an approach as innovative is addressed by Martin and Osberg (2007) in their article profiling successful commercial entrepreneurs in an effort to gain insight into the distinction between commercial and social entrepreneurship. Specifically, they posit that the social entrepreneur is enticed by a "suboptimal equilibrium, seeing embedded in it an opportunity to provide a new solution, product, service or process" (p. 32).

The degree of innovation necessary to qualify a business as a social entrepreneurship is another ambiguous definitional parameter within the SE construct. As attributed to Schumpeter (2008), entrepreneurs need not be inventors. Schumpeter is credited with the concept of creative destruction and is one of the pioneering economists

known for his economic theories detailing the entrepreneurial function and entrepreneurship. Schumpeter (2008) defined the function of entrepreneurship as follows:

[T]he function of entrepreneurs is to reform or revolutionize the pattern of production by exploiting the invention or, more generally, an untried technological possibility for producing a new commodity or producing an old one in a new way, by opening up a new source of supply of materials or a new outlet for products, by reorganizing an industry (p. 132).

Schumpeter views entrepreneurship as vital to capitalism and addresses the constant destruction of existing structures and their replacement with new ones as paramount to a free market society. He links the process of how capitalism and free markets operate to the importance of business strategy and stresses the necessity by managers and entrepreneurs to understand the dynamic and ever changing nature of industry. This "Creative Destruction is the essential fact about capitalism" (Schumpeter, p. 83). Understanding this basic premise of creative destruction as it relates to magnitude of change and degree of innovation parameters in addition to the role and purpose of profits is a fundamental element in the social entrepreneur's formal educational needs.

It is worth noting that Schumpeter alludes to the concept of risk in the context that while entrepreneurs exploit opportunities in new ways, they need not be inventors. Also, risk is not necessarily borne entirely by the entrepreneur. This supports a more broad definition of social entrepreneurship with regard to innovation and magnitude of change. We view the innovative element as subjective and suggest that the minimum delimiter is a new combination of existing resources or relationships to solve a social problem.

Magnitude of change is also an element of the social entrepreneurship definition without consensus among academics or practitioners. Light's (2008) identification of social entrepreneurial organizations as intent on achieving systemic alter-

ations to the social equilibrium as the overarching goal is one example. The issue of magnitude of change delimiters is intentionally not included in our working definition, given this subjectivity. When considered in the context of Schumpeter's (2008) model of creative destruction, Light's model fits within the domain of entrepreneurship without specifying magnitude of change.

Social entrepreneurship is an evolving niche filling a void between nonprofit and commercial ventures. Cooney (2006) cites statistics from the nonprofit sector reflecting that revenues from commercial endeavors increased from 36% in 1980 to 54% in 1996, while revenues from the government sector decreased to 36% from 48% during the same time frame. Likewise, Cooney indicates a trend in nonprofits "*launching business ventures to generate unrestricted funds that cross subsidize other agency activities*" (p. 143). Cooney refers to the format of nonprofit as a hybrid model and addresses the issue of how these hybrids organize their hierarchy between the revenue-generating business element and the mission-focused social services element. The nonprofit sector is not disappearing, nonetheless, there is a population of entrepreneurs not satisfied with the traditional nonprofit structures for venture creation (Bielefeld, 2009). A fundamental element inherent in this article is how educators can develop curricula that address trends in the literature with the goal to effectively teach SE. A key question to consider for program development is: What is the common denominator that distinguishes social entrepreneurship as its own unique construct? It begins with who owns the company, and course topics such as corporate governance and structure are important components. For example, a revenue-generating portion of the business may sustain the nonprofit portion of the business, or an individual may create two separate entities to accomplish the social benefit, one nonprofit and one a revenue-generating type to support the nonprofit. A third form known as the low-profit limited liability corporation is another option and all are addressed thoroughly in

a separate article in this publication (Gillespie & Lucas, 2011).

SHOULD SE BE TAUGHT IN BUSINESS SCHOOL CURRICULA?

Our answer is yes. While the literature is mixed regarding whether social entrepreneurship merits its own classification, we believe while SE is distinct from other forms of entrepreneurship, it should be included in a business curriculum, especially in Christian colleges or universities. A successful social entrepreneur needs some of the same skills required for successful business entrepreneurship, such as an understanding of internal and external market forces, organizational dynamics, and capital structure, as well as the disciplines of operations, finance, marketing and so on. To illustrate, interviews conducted with Christian social entrepreneurs by the authors and student interviews revealed that exposure to the suffering of others while participating in missions did nurture an interest in future social entrepreneurial endeavors. Many have no academic or professional business background. Social entrepreneurs may lack the business experience and business education of their commercial counterparts. Therefore it is important to address the business aspects of entrepreneurship previously mentioned for the SE students. Educators must be cognizant of the fact that the student audience may not be as familiar or as comfortable with the concepts as traditional business entrepreneur students.

Brooks (2009), borrowing from the literature related to business entrepreneurs, explains the concept of social entrepreneurship as a process beginning with opportunity identification and the pursuit of identified opportunities not hindered by a lack of current available resources. Similar to Light (2008), he describes a process identified with commercial entrepreneurship that includes opportunity recognition, concept development, resource determination and acquisition, launch and venture growth, and goal attainment (pp. 4-5). Whereas a business entrepreneur perceives that a potential

opportunity exists that can lead to profitability, the social entrepreneur perceives that an opportunity exists to solve a social problem.

The second step Brooks (2009) identifies after opportunity recognition is concept development. He refers to the idea that an opportunity must manifest itself into a sound business concept. For example, drawing from Professor Yunus and the development of the Grameen Bank, the need for affordable loans to the working poor of India translated into the business concept of micro loans (Bornstein, 2007; Clinton, 2007).

Resource determination and acquisition, the next step, involves the methods with which entrepreneurs identify and secure funding and human resource support for their ventures (Brooks, 2009). University courses addressing capital structure and start-up funding will help social entrepreneurs learn how compete for available resources and identify opportunities regarding their abilities to obtain resources.

The final steps are launch and venture growth, and goal attainment. These steps address the business aspects of taking the social entrepreneurial venture from the idea and funding phase to the execution and growth stage of the ongoing venture. Critical to the success of the organization, growth and goal attainment are additional areas ripe for Christian universities to address in program curricula specific to social entrepreneurs.

Brooks (2009) applies the five steps derived from the commercial entrepreneurship process to the social entrepreneurship model and thus creates a base from which to evaluate the social entrepreneurial process. For example, at Northwest University students in our MASE program take an Entrepreneurial Planning course in which they write a business plan for their social venture following these steps.

WHAT SHOULD BE TAUGHT IN SE CURRICULA?

The Northwest University MASE program is a 32-hour cohort model program consisting of ten sequential courses. Students also work on a

Master's level thesis (Social Enterprise Project I, II and III), which can be either a research paper involving a Social Entrepreneurship question or a "business plan" for a social venture (see Table 1).

Table I Course Descriptions

Course #	Course Description
BUSM 5213	Leadership Development
BUSM 5413	Organizational Management
BUSM 5703	Social Enterprise
BUSM 5253	Entrepreneurial Planning
BUSM 5433	Project Management
BUSM 5442	Law and Ethics for Non-Profits
BUSM 6343	Entrepreneurial Finance
BUSM 6363	Marketing for Social Ventures
BUSM 5711, 5721, 5731	Social Enterprise Project I, II, III
BUSM 6423	Management of Non-Profits
BUSM 6332	Public Policy Advocacy

Our initial assumption was that most students would be interested in a non-profit model with some aspect of revenue generation. For example, initially we designed our business plan course around the text *Forces for Good: The Six Practices of High Impact Nonprofits* (Crutchfield & Grant, 2008). While this is an excellent book and we continue to use it, we had to modify some of our assumptions to allow for a higher than anticipated percentage of students interested in the for-profit sector. As a result we modified our business plan process from one course to three separate sections to allow for both the nonprofit, for-profit and hybrid models and assigned different professors to each section. This is one example of how we are rethinking what we are teaching by evaluating each cohort's overall preferences.

In our introductory course to the field, BUSM 5703 Social Enterprise, we engaged students in participating in the developing field of social entrepreneurship. (See Appendix A for complete course descriptions). This introductory course included active involvement in an interactive course blog that included weekly discussion questions, article summaries and current events, and

each student was required to follow and report on weekly SE-related Twitter feeds. In addition, we invited a number of social entrepreneurs to speak in class, including an attorney specializing in advising social entrepreneurs, and individuals who generated revenue through public speaking, consulting and publishing as a means to support their nonprofit ventures.

We begin the course by asking each student to provide a written definition of SE. This became the basis for class discussion on aspects of social entrepreneurship, such as innovation, magnitude of change, for-profit vs. nonprofit and other definitional elements not yet conclusively determined in the literature. At the end of the course the students again defined social entrepreneurship and noted any changes in perception as a result of the course. (See Appendix C for examples).

WHO IS AN SE? WHO IS AN SE STUDENT?

We found that students' initial definitions of SE varied from "*any enterprise for the social good that does not have profit as its primary goal*" to "*a business venture that defines success by the evident combinations of three factors: individually profitable, serves others by creating social change, and sustainability*" and even "*an organization or enterprise whose focus is to promote social change or provide a service to those in need. A very broad term that covers many types of organizations. Unclear on how profits are distributed*" (See Appendix B).

One reason for the variety of student SE definitions stemmed from the variety of student backgrounds. Some of our students were fairly recent college graduates who were still deciding on a career path. Others had worked many years in the nonprofit sector. Two were ordained ministers actively leading their own congregations. One was the head of his family's foundation. One surprise to us was that our Social Entrepreneurship students were so much different than our typical MBA student. Most of our MBA students are in the program to further their ca-

reer advancement and most were either business undergraduates or had been working in the business environment for several years. By contrast, the Social Entrepreneurship students were generally liberal arts undergraduates with limited experience and understanding of business. Their primary motive in studying with us was to learn essential business skills that they could use in a service or ministry capacity, such as providing better services to homeless veterans, or emergency housing for foster care children. They were also more entrepreneurial in that they were less interested in organizational dynamics such as workplace issues, management theory, and facts and figures as examples.

Familiarity with a specific problem area was a prevailing characteristic amongst our SE students, and is an area under discussion in the SE literature. Does expertise on a specific social problem translate into effectiveness in establishing an innovative and transformative approach to attempt to solve the problem? The literature regarding this is not conclusive. Dorado (2006) finds that while the "*research... does establish a connection between entrepreneurs backgrounds and the opportunities they create*" (p. 331), the research does not "*specify whether entrepreneurs with backgrounds in a particular problem area versus those with backgrounds in a particular industry have a differentiated advantage when identifying and exploiting an entrepreneurial opportunity*" (p. 331). Understanding the background and previous experience of social entrepreneurs will help guide curriculum development and integration of business courses aimed at enhancing the skill set of budding social entrepreneurs.

From this theoretical base, further distinctions can be addressed between commercial and social entrepreneurship. Martin and Osberg (2007) describe as the point of distinction between the commercial and social entrepreneur as "*the combination of a context in which an opportunity is situated, a set of personal characteristics required to identify and pursue this opportunity and the creation of a particular outcome*"

(p. 31). The authors describe an entrepreneurial context in which the business entrepreneurs they profile gain their opportunity recognition from industry experiences. For example, entrepreneurial orientation (EO) is a construct prevalent in the business literature and one that provides a model for analyzing an entrepreneurial firm's strategic path (Lumpkin & Dess, 1996). By assessing the processes, actions, and bureaucratic activities of such a firm, EO encapsulates the ability of firms to operate entrepreneurially (Dess & Lumpkin, 2005).

Therefore, case study profiles of commercial entrepreneurial organizations and founders are recommended for inclusion into the SE course curriculum. Moreover, intent of the organizational mission mattered to SE students when viewing the appropriateness of commercial structures that did have an element of profit distribution. Background of the entrepreneur is central to this analysis and one of our recommendations for further research. Religious background is addressed in the following section.

THEOLOGY OF SE/BIBLICAL PERSPECTIVES OF COMMERCE

The social entrepreneur is tasked with two missions, social benefit and profit. Thus, corporate structure and the distribution of profits are key components for curriculum development. Sowell (2004) cites that profits are arguably the least understood subject in economics. He also posits that profit and loss is crucial to the basic economic function pertaining to the allocation of scarce resources with alternative uses.

The concept of profit is one of the least understood concepts related to social entrepreneurship and profit is often viewed negatively (Lucas, 2011). Evidence of this is the previously mentioned lack of agreed-upon definition for social entrepreneurship and also the earlier mentioned insight gained by the authors when interviewing both practicing social entrepreneurs and graduate students. Further, given that many social entrepreneurs' previous experience is in the non-profit

sector where profits are not distributed, a polarity may exist within the SE student base related to the acceptability of profit generation and distribution under the auspices of a social entrepreneurship (see Appendix A).

This polarity is exemplified in James 1:9-10: "The brother in humble circumstances ought to take pride in his high position. But the one who is rich should take pride in his low position, because he will pass away like a wild fire"(NIV). While much of James is critical of the rich, it is in the context of wealthy Christians understanding that God has blessed them not with possessions, but with values. Likewise, poorer Christians may take pride in their "high position" as believers. Social entrepreneurship provides a path for Christians gifted in business to follow the Word despite the accumulation of wealth through the generation of profit. The question in James 2:14: "What good is it, my brothers, if a man claims to have faith but has no deeds" goes further to illustrate the tensions that exist between the faithful and the need to do good work despite one's economic circumstances. Similarly, "I will show you my faith by what I do" (James 2:18-19) compliments 1 John 3:17-18: "If anyone has material possessions and sees his brother in need but has no pity on him, how can the love of God be in him? ...Let us not love with words or tongue but with action, and in truth." Educators can acknowledge the Scriptural admonitions aimed at the rich and powerful and the reality that scholars may debate the messages of James and Paul and their different interpretations of faith and work. Nonetheless, some Christians do accumulate wealth and are gifted with business acumen. Social entrepreneurship is one avenue for Christian business students who choose to create wealth and those who seek to utilize business as ministry regardless of their professional and academic backgrounds. Pedagogical applications through classroom discussion and written deliverables can address the tensions between profit and social benefit as a means to incorporate the financial elements of entrepreneurship.

This polarity between doing good and doing well, or social benefit and profit, can be further explored in the classroom through the process credited to Johnson (1992) known as polarity mapping. This concept is an exercise with a goal of bringing individuals with opposing viewpoints together as a process to be managed where each view is supplemented in order to understand the overall situation more effectively. The premise is that neglect of opposing viewpoints degrades the overall effectiveness of organizations and process mapping allows both realities to be confirmed as a means to more effectively implement strategy and problem solving. In the example of SE, both views toward nonprofit and commercial endeavors and specifically the generation and distribution of profits must be understood by all who fit within the broad profile of the social entrepreneur. A biblical context in support of such goals is crucial and Christian university SE business programs can incorporate vigorous theological analysis related to doing well and doing good. How much profit is acceptable for a business known as a social enterprise while competing in the commercial sector is an example of the challenges that the entrepreneur must be prepared to address to customers, investors, shareholders, and stakeholders. This was addressed directly by one student in our introductory course in her end of the course response to how her understanding of SE was impacted by the course: “One discussion that was left unanswered in our class sessions was the issue of salaries. I still have not come to terms with the question: ‘what is the acceptable salary for someone who works in social enterprise?’” (See Appendix C). A core understanding of the entrepreneurial function in a market economy will prepare the social entrepreneur to address this type of unique paradox.

STUDENT EXPERIENCE

A graduate student cited Matthew 13:31-33 in an assignment requesting a biblical passage that best represents his/her understanding of SE: “The kingdom of heaven is like a pine nut that a farmer

plants. It is quite small as seeds go, but in the course of years it grows into a huge pine tree, and eagles build nests in it. *Another story. God’s kingdom is like yeast that a women works into the dough for dozens of loaves of barley bread—and waits while the dough rises*” (Peterson, 2003). The student referenced this Matthew passage as exemplary of her idea of social entrepreneurship, with the pine nut example a lesson in nurturing individuals to their full potential. Likewise, flour and yeast require action to be combined and initiate change—the social entrepreneur as change-maker.

This example is included here to provide insight into the classroom. Just as one class may include students from one end of the spectrum to the other with regard to profit and social benefit (nonprofit to commercial), a reality experienced by the authors is that a similar polarity exists amongst students in the context of religious background. Specifically, the student referred to above was a believer, however she was not from a particularly strong religious background and her faith was stronger than her experience interpreting Scripture. She approached one of the authors with apprehension regarding the assignment, and voiced concern that her lack of scriptural expertise would cause her to do poorly on the assignment. She was provided with encouragement and assurance that any exercise involving reading of the Word should be a positive experience, and she was directed to some reliable sources for interpretation assistance. Her interpretation of Matthew may differ from many reading this article, however she successfully completed the assignment and furthered her understanding of the concept of SE and increased her comfort level in reading Scripture. While Peterson is not suited for biblical scholars, it did serve a positive purpose in this instance. It is worth noting that the same cohort contained two ordained ministers and the difference in religious background can serve as a metaphor for the differences in student worldview with regard to SE. Her tentativeness is illustrative of the challenges in teaching social

entrepreneurship, given its lack of clear definition and the tensions between profit and social benefit.

RECOMMENDATIONS

Social entrepreneurship is a growing field of study in higher education (Bielefeld, 2009). As more institutions of higher education develop degree programs specific to social entrepreneurship, curriculum development is dependent upon current and accurate research (Dorado, 2006). The discussion points in this article exemplify information relevant to the new social entrepreneur and are important for educators to consider when developing SE business curricula. SE is an evolving trend and its inclusion in Christian higher education business school programs is the focus of this article. Each of the Ivy League universities have incorporated social entrepreneurship in their business programs for example while less than ten percent of the 111 members of the Council for Christian Colleges and Universities (CCCU) offer any type of SE course offering (Lucas, 2010).

Further exploration of definitional elements such as magnitude of change, degree of innovation, and capital structure in conjunction with a Christian application to SE is warranted. We recommend that our colleagues offer at least one introductory SE course at the undergraduate business level that provides a general overview of social entrepreneurship. For example, Northwest University requires all undergraduate business majors to compete in our social venture business plan competition. Teams are formed and students compete based on the most innovative idea that has been developed into a viable working business model. The competition is a one-hour undergraduate credit open to all majors and culminates with a campus wide trade-show format event. We have found that other majors do participate and we have seen business majors repeat the event a second year. This has also created positive campus-wide publicity for the department amongst faculty, staff and students. Moreover, the competition reaches out to local businessmen

and women eager to participate with students as coaches, evaluators, and/or attendees of the competition. This year we offered cash prizes of \$1000 raised from private donations. Initially we offered the one-hour course and the top three teams competed in Seattle Pacific University's (SPU) social venture competition. The second year we launched our own competition and the three top winners of our competition then went to SPU to compete.

The most challenging aspect of the business plan competition is the financial element. We have found that many of the graduate students come from the nonprofit sector and many struggle with the idea of profit and capital structure. The constraints associated with some forms of nonprofit funding imply varying capital structure options that must be understood by the social entrepreneur. Miller (2003) identifies that capital structures change as a result of organizational development and lifecycles. This can be conveyed through curricula developed specifically to aid an individual who may be familiar with a problem area but lacking in other business-related experience. Our Entrepreneurial Planning course in the Master's SE program is one example.

Likewise, Bryce (2007) refers to the issue of public trust as an important element in donor behavior. How an enterprise manages its inputs and outputs and conveys this to the public has an impact on potential revenue sources, including donations and purchases (Bryce). This complements Collins' (2005) reference to the importance of building and maintaining the brand as a means to maintain the core business and facilitate progress. We also include a Marketing course in our Master's SE curriculum, Marketing for Social Ventures. How social entrepreneurs are taught the traditional business fundamentals in addition to profit distribution and capital structure is a relevant component related to this field of study and will determine course curriculum and provide insight for students and educators. This year, for example, we plan to integrate the graduate MASE students into the undergraduate business

plan competition as coaches and readers to provide an experiential classroom activity evaluating different business plans.

A common denominator linking business and nonprofit elements is the key to understanding the emerging construct identified as social entrepreneurship and we recommend that more Christian faculty contribute SE articles and research to mainstream business journals. Adding the Christian perspective will help fuse this important and emerging business trend with Christian higher education and enhance the ideal of Business as Ministry. Additional recommendations of course content discussed in this article include polarity management exercises, case study analysis of SE and commercial ventures, a historical perspective of SE in business, biblical integration, and specifics related to formal metrics and business strategies focused on enterprises with social benefit as a stated outcome.

In addition, research directed at the religious background and motivations of social entrepreneurs is one recommendation for further study. Creating a consensus regarding the definition and teaching of social entrepreneurship within the Christian academy is a worthy goal. A key theme in the book of Esther is “And who knows but that you have come to your position for such a time as this?” (Esther 4:14). The reference to Esther here is intentional: it is the only book in the Bible with no direct reference to God. Likewise, social entrepreneurship is not an overtly Christian trend, yet the tenets that form its foundation are decidedly Christian. An opportunity exists to formalize the link between social entrepreneurship and Christian business programs. Other areas of further research include founder motivations, reviewing the evolution of new corporate legal structures, and potential new sources of funding. Further discussion is needed.

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ENDNOTES

1. This is not to be confused with Business as Mission (BAM). For further discussion related to BAM, see Gillespie & Lucas, 2011.

ABOUT THE AUTHORS



Teresa Gillespie is Dean of the School of Business and Management at Northwest University in Kirkland, Washington, where she also teaches Business Law and Ethics. Prior to this, she was in-house counsel for a Fortune 500 company for 17 years. She received her J.D. from the University of Washington School of Law.



Tim Lucas teaches management and economics at Northwest University. Prior to teaching he was in corporate positions at Eastern and Continental Airlines, and in the hospitality industry. He is currently pursuing his DBA degree at George Fox University. His doctoral research dissertation is focused on social entrepreneurship.

APPENDIX A

Northwest University Master of Arts in Social Entrepreneurship (MASE) Course Descriptions

BUSM 5213 Leadership Development A study in communication theory as it impacts interpersonal relationships, small group processes and complex organizations. Students learn to improve professional leadership skills, including oral and written communication, conflict resolution and negotiation. Ethical issues involving management are also addressed.

BUSM 5413 Organizational Management A study in the structure and functioning of complex organizations, as are organizational change processes. Topics covered include leadership, individual and group behavior, systems and culture. Issues relating to managing change and ethics are addressed through the use of case studies.

BUSM 5703 Social Enterprise An introduction to the concept of social enterprise: a profit or non-profit organization that intends a positive social impact. Students observe local social enterprise organizations, read case studies and discuss best practices for successful social ventures.

BUSM 5253 Entrepreneurial Planning A review of the entrepreneurial planning process for social ventures and methodology for research involving social venture issues. Students either prepare and launch their own social venture or write a research paper on social entrepreneurship that will be completed over the next 3 semesters.

BUSM 5433 Project Management A focus on the tools and techniques required to plan, direct, control and manage resources to meet the technical requirements, cost targets and time constraints of a project and to meet project objectives.

BUSM 5442 Law and Ethics for Nonprofits Examines the foundational legal issues and ethical challenges typically faced by nonprofit organizations. Topics include liability issues for boards of directors, identifying and resolving conflicts of interest and negotiation.

BUSM 6343 Entrepreneurial Finance A study of the financial concepts especially perti-

nent to social enterprise. Strategies to create a viable and economically sound organization will also be addressed.

BUSM 6363 Marketing for Social Ventures A study of the strategies for marketing an organization's image, mission and services, including the effective use of media and public relations. Cause-related marketing partnerships between business and nonprofits are also investigated.

BUSM 5711, 5721, 5731, Social Enterprise Project I, II and III Students continue to work on their social venture plan or research project and present their findings in a public forum.

BUSM 6423 Management of Non-Profits A study of the unique challenges of leading and managing nonprofit organizations. Topics include working with a Board and volunteers, and strategic planning and assessing the effectiveness of the organization's mission.

BUSM 6332 Public Policy Advocacy A study of practices that enable nonprofits to effectively work with businesses and government to promote mutual interests and comply with lobbying regulations.

APPENDIX B

University Student Definitions of Social Entrepreneurship

Student 1: King Solomon wrote that “there is nothing new under the sun.” So creativity in addressing social problems (for the Christian seen as opportunities to demonstrate Christ's love in practical ways), in my opinion, is simply recombining people and resources in fresh, creative forms to meet current needs.

I see social entrepreneurship to be any enterprise for the social good that does not have profit as its primary goal. This definition opens up social entrepreneurship to not only traditional nonprofit organizations, but also to for profit busi-

nesses and hybrids such as “low profit limited liability companies (L3c). I see an SE enterprise as one which all purposes, functions and activities are aimed at producing social good. If the organization is for profit, but its purposes are primarily for social good, then its profit only further serves the social benefits of the organization.

The social entrepreneur does not necessarily need to be doing something original or new. He/she simply needs to be addressing a problem by combining people and resources to meet a need that otherwise would not be met.

Student 2: An organization or enterprise whose focus is to promote social change or provide a service to those in need. A very broad term that covers many types of organizations. Unclear on how profits are distributed (after expense and payroll?). Can be global or local. Does not need to be new or innovative, but applied in a way that has not been tried before, or a sector/location where it has not been addressed, or foundational need lacking in a community.

Student 3: Social entrepreneurship is a problem solving methodology whereby innovative business management skills are created to address social problems of ever escalating magnitude at the source level (addressing attitude, behavioral, as well as system deficiencies), that have either defied remedy, or have been, or continue to be, inadequately addressed by traditional strategies employed by governmental or non-governmental institutions.

Organizational delimiters: Primary objective is to solve a social problem/maximize social impact, not drive profit or shareholder wealth. Create a sustainable and effectively socially responsible organization addressing social problems at their root causes, as opposed to symptomatically.

Does not conform to traditional and established business models... leading to emergence of a new institution that advances a new approach. Innovative in the sense that it does not employ a traditional top down centralized problem solving.

Student 4: A business model, which caters toward the aid of social needs, instead of for the purpose of profit (such as traditional for profit business models). The structure can range from for profit to raise money to sustain a nonprofit, to a pure nonprofit... or a hybrid corporation.. Defined by its commitment and purpose towards primarily solving social needs as well as serving people to better increase their education possibilities, their health, their job skills, their economy etc.

A for profit social business distributes their income somewhat differently than a traditional for profit business. The bulk of income would go toward the social cause, then expenses and salaries. SE approach is a way that has not been done before.

Student 5: SE is the active implementation of ideas and concepts that help advance common good and welfare. The implemented ideas and concepts usually help influence the invention of additional ideas and concepts, including, but not limited to educational, economic, and ecological aid.

Can be for profit or nonprofit, not dependent upon the accumulation of wealth, does not matter how profits are distributed. Magnitude of change is not a delimiter.

Student 6: An art of designing, organizing, and operating a for-profit or nonprofit entity which can become indigenously positively affecting our societal issues while maintaining sustainability.

Student 7: A process through which an individual or individuals in a given community identify challenges and opportunities within their social, economic and political settings and use their creativity to seek means and ways of addressing them within the social cultural context of the community.

SE adds value to life not only by applying entrepreneurship principles of generation of profit and increasing production but helps in enhancing the capacities of the communities to enable them to address underlying causes of poverty, disease, illiteracy, and political marginalization.

Student 8: A business venture that defines success by the evident combinations of 3 factors: individually profitable, serves others by creating social change, and sustainability.

APPENDIX C

Student SE Perceptions/Definitions Revisited (Post BUSM 5703 Introductory SE Course)

Student Comments Example 1: A for-profit, or non-profit business that's driving purpose is to maximize social change and benefits, above maximizing profit or catering to investors or shareholders.

Student Comments Example 2: One discussion that was left unanswered in our class sessions together was the issue of salaries. I still have not come to terms with the question: what is the acceptable salary for someone who works at a social enterprise? Does devoting one's self to social needs means having to be threatened by poverty

ourselves? Should salaries of social enterprise workers be comparable to regular corporations? Who knows? Maybe this topic will be answered as I complete my program.

Student Comments Example 3: Can social entrepreneurs have a negative impact on society? This is something that I would like to explore more. Since, there are unintended consequences associated to every social venture; would having too many negative unintended consequences disqualify an organization as a social enterprise venture?